

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA



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Order Instituting Rulemaking on the Commission's Own Motion to Conduct a Comprehensive Examination of Investor Owned Electric Utilities' Residential Rate Structures, the Transition to Time Varying and Dynamic Rates, and Other Statutory Obligations.

Rulemaking 12-06-013  
(Filed June 21, 2012)

**REPLY BRIEF  
OF THE OFFICE OF RATEPAYER ADVOCATES  
ON PUBLIC UTILITIES CODE SECTION 745 TRACK**

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## **I. INTRODUCTION**

The Office of Ratepayer Advocates (“ORA”) presents this Reply Brief in Rulemaking 12-06-013 in accordance with Rule 13.11 of the California Public Utilities Commission’s (“Commission”) Rules of Practice and Procedure. ORA responds herein to selected issues raised in parties’ Opening Briefs filed on June 15, 2017.

## **II. DISCUSSION**

### **A. PG&E and SCE Misunderstand the Scope and Intent of ORA’s Proposed Moratorium on Summer Disconnections for CARE/FERA Customers Defaulted to TOU Rates.**

ORA proposed a summer moratorium on disconnection for California Alternate Rates for Energy and Family Electric Rate Assistance (“CARE/FERA”) customers defaulted to time-of-use (“TOU”) rates.<sup>1</sup> In its Opening Brief, Pacific Gas and Electric Company (“PG&E”) states it “does not believe such a moratorium would mitigate the anticipated problem or provide CARE/FERA customers with meaningful relief.”<sup>2</sup> PG&E argues that since a disconnection would not occur until at least 51 days after customer non-payment, the proposal would be “inefficient for reducing the negative impact”<sup>3</sup> on customers. Southern California Edison Company (SCE) states in its Opening Brief that ORA’s summer moratorium proposal is “costly and unnecessary given the number of customer protection measures that will be in place during the implementation of time-of-use (TOU) rates.”<sup>4</sup>

The claims by the utilities that a summer disconnection moratorium would be prohibitively costly are overstated. ORA’s proposal covers a limited number of customers over a brief period of time. Further, as PG&E points out, its current practice is

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<sup>1</sup> Exhibit ORA-301, Opening Testimony on Issues Relating to California Public Utilities Code Section 745, at pp. 20-22.

<sup>2</sup> PG&E Opening Brief, p. 48.

<sup>3</sup> *Id.*

<sup>4</sup> SCE Opening Brief, p. 41.

to not disconnect a customer until at least 51 days after non-payment.<sup>5</sup> ORA's recommendation would constitute a small extension of this existing time-frame to encompass the remainder of the summer. ORA's proposal should have minimal incremental cost in that it would only require that the utilities alter their disconnection policy for a limited period of time, for a limited subset of customers.

Further, the utilities misunderstand the full intent of ORA's proposal. The proposed moratorium serves two main goals. Providing customers defaulted to TOU rates with a brief reprieve from being disconnected allows them time to consider options for mitigating high outstanding bills, such as Level/Balanced Payment Plans, or opting out of TOU and receiving bill protection. A moratorium also reduces the risks posed to customers who may face disconnection following potential bill increases during the summer period while on the Default pilot. A moratorium advances both of these goals and compliments the menu of existing and proposed protections for customers defaulted to TOU rates during the transition period.

**B. Contrary to What the Utilities Argue in Opening Briefs, TOU Rates Should Become the Standard Rate at the Beginning of the Initial Default Mass Migration to TOU Rates, Rather Than at the End, i.e. March 2019.**

TOU rates should be considered standard rates at the beginning of 2019, rather than the end. In Decision ("D.") 15-07-001, the Commission ordered that TOU rates become the standard or Default rate structure starting in 2019. The Commission states "[t]he IOU must file a residential rate design window (Residential RDW) application no later than January 1, 2018 that proposes Default TOU rate structure to begin in 2019, assuming that the statutory conditions have been met."<sup>6</sup> The Initial Default Mass Migration to TOU rates (Initial Default Mass Migration) is the period during which the majority of residential customers will be transferred from Tiered to TOU rates, commencing in early 2019.

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<sup>5</sup> PG&E Opening Brief, p. 48.

<sup>6</sup> D.15-07-001, p. 5.

Despite what the utilities say, Commission Decision calls for TOU rates to become standard at the beginning of the Initial Default Mass Migration.<sup>7</sup> In its Opening Brief, SCE advocated for a continued “standard” Tiered rate structure for new and existing customers until the end of its Initial Default Mass Migration.<sup>8</sup> San Diego Gas & Electric Company has also advocated for similar treatment in its Opening Testimony.<sup>2</sup> However, ORA interprets D.15-07-001 as setting a decisive transition date between “standard” Tiered rates to TOU rates beginning in 2019. ORA agrees with the Commission’s conclusions that “the record does not reflect any basis for delaying Default TOU past 2018” and that “TOU rates should begin in 2019.”<sup>10</sup> Based on the Commission’s previous Decision and the aforementioned reasons, ORA recommends that the Commission reaffirm that TOU rates are the Default or the standard rate when Initial Default Mass Migration starts in 2019.

### III. CONCLUSION

ORA asks the Commission to adopt its recommendations discussed above.

Respectfully submitted,

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<sup>7</sup>See *id.*

<sup>8</sup>SCE Section 745 Opening Brief, p. 7.

<sup>2</sup> See SDG&E Section 745 Opening Testimony Butler, p. 13.

<sup>10</sup> D.15-07-001, p. 172.